But, apart from such reasons, any measures which would raise the prices of imports should apparently be deprecated, whatever be the customs policy of other nations.

By investing money in other countries a community alienates a means of increasing its own productiveness : but, by the interest that it exacts. It levies a tax upon the resources of the borrowing country which, if spent within its own limits, may add very greatly to its wealth. Moreover, if the loan is remitted in the form of goods, its grant will at least benefit the lending country by the single turnover of its amount. And if the borrowing country is undeveloped, and yields very liberally to the outlay of capital, not only may the lending country make larger profits than it could obtain from a home investment, but the riches of the world as a whole will be increased. By her enormous foreign investments England levies a percentage upon the produce of many countries. The Canadian farmer, the Italian *metayer* of Argentina, the Indian ryot, all render her a share of their crops.

The receipt of a loan by one country from another increases its wealth-stream, and stimulates the demand for local manufactures. If received in the form of goods it is of course a direct accession to resources. On the other hand, there is interest to be paid, which involves a transfer of resources to the lending country. But borrowed money is exceedingly

profitable
to lands that are undeveloped. Canada and South America owe their astonishing progress very largely to the assistance of English and American capital, and it is not surprising that they should leave nothing untried to advertise their advantages to the investing public.

A war indemnity is in effect a loan without